

1977



NOVA SCOTIA SAVINGS & LOAN
COMPANY

128th. Annual Report

Our Cover is a reproduction of a 1944 painting by Nova Scotian artist, G. P. Backman. Entitled "*The Red Dory*", it represents Summer in Nova Scotia in the setting of Blue Rocks, the picturesque fishing village near Lunenburg.

The original canvas is displayed in our Board Room at Halifax. Three companion pieces painted by Mr. Backman, depicting Autumn, Winter and Spring scenes in Nova Scotia, occupy places of prominence in our Board Room and offices. They have excited much interest and comment over the years. Present plans are for the Autumn, Winter and Spring scenes to appear on subsequent Annual Reports of Nova Scotia Savings & Loan Company.

Mr. Backman also serves Nova Scotia Savings & Loan Company as Advertising Consultant and Artist/Publicist.

FINANCIAL HIGHLIGHTS

	1977	1976	% INCREASE
TOTAL ASSETS	\$347,633,487	\$315,742,351	10.1%
MORTGAGES	316,786,436	288,816,863	9.7%
DEBENTURES & ACCRUED INTEREST	275,170,487	246,246,961	11.7%
SAVINGS & DEPOSIT RECEIPTS	52,251,596	50,037,810	4.4%
INCOME	36,196,357	31,958,419	13.3%
INCOME PER COMMON SHARE	38.01	33.56	
EXPENSE	32,431,047	29,033,946	11.7%
EXPENSE PER COMMON SHARE	34.05	30.49	
OPERATING INCOME BEFORE SECURITIES GAINS	2,171,110	1,659,473	30.8%
DIVIDENDS DECLARED ON COMMON SHARES	952,318	952,318	
DIVIDENDS PAID PER COMMON SHARE	1.00	1.00	
SHAREHOLDERS' EQUITY	15,846,167	15,039,014	5.4%
EARNINGS PER COMMON SHARE ^{1&2}	2.05	1.42	44.4%
NUMBER OF OUTSTANDING COMMON SHARES	952,318	952,318	

¹1976 Earnings per Common Share include net securities gains of \$366, while in 1977 net securities gains of \$84,045 were recorded.

²1976 and 1977 Earnings per Common Share are calculated on earnings after payment of dividends on preferred shares

For the information of shareholders, the valuation day value of the Company's common stock for capital gains tax purposes as published by the Department of National Revenue, Taxation, is \$15.50.

DIRECTORS' REPORT

To the Shareholders:

The 128th Annual Report of the Company for the year ended December 31, 1977 is presented herewith and your Directors are very pleased at the results obtained. It was a record year in terms of earnings, surpassing the previous high attained in 1975. Income increased by 13.3% over 1976 and the increase in expenses was 11.7%, an appreciable improvement over the relative percentages of one year ago, which were 10.5% and 15.9%, respectively. Satisfactory growth was maintained as assets increased by 10% and at the year end amounted to \$347,633,487.

Income and Dividends

Operating income before securities gains at \$2,171,110 was 30.8% higher than in 1976. The Company realized securities gains of \$84,045 during the year which resulted in net earnings of \$2,255,155, the highest in the Company's history, and an increase of 35.9% over the previous year. After payment of preferred dividends the net earnings for 1977 were equivalent to \$2.05 per common share, compared to \$1.42 in 1976 and \$2.04 in 1975.

The regular quarterly dividend of 51.25 cents per share was paid to the holders of the 10.25% Series A Preferred Shares, and a quarterly dividend of 25 cents per share was paid on common shares.

Mortgages

The number of mortgage applications approved in 1977 was 2,412. Of these, 648 originated in Alberta and Saskatchewan. Total mortgage loans as at year end amounted to \$316,786,436. The reserve for losses was increased to \$1,045,000 which is considered adequate to provide for future losses. The net increase in the mortgage portfolio during 1977 was 9.7%.

Debentures and Deposits

Our liabilities to investors increased by 10.5% during the year, and at year end amounted to \$329,087,001. The actual increase of \$31,137,312 was the highest since 1974 and indicates continuing support for our debentures and deposit receipts by the investing public.

Real Estate Held For Sale

As a result of foreclosure action the Real Estate Held For Sale account increased by \$262,686 during the year. Net losses from sales of foreclosed properties amounted to \$701,413 in 1977, and of this amount \$486,799 was recovered from insurance claims. The balance was charged against income.

The Board of Directors and Executive Committee

Since the year 1967 the Company's affairs have been directed by a Board of seven Directors. Historically, from the earliest beginnings of the Company as a Building Society, the Directors have been Nova Scotians. Your Directors believe that consistent with the growth of the Company during the past decade the Board should be increased to nine Directors. It is also felt there should be an Executive Committee of the enlarged Board.

To accomplish these aims, the shareholders will be asked to approve changes in the By-Laws of the Company at the Annual Meeting. Further, in view of the expansion of the Company's business in several Provinces, it is intended that nominations for the election of Directors will include persons who reside outside the Province of Nova Scotia.

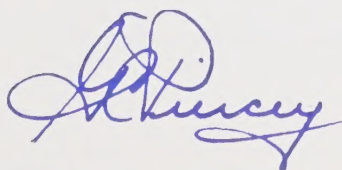
Our Employees and Representatives

Improvement in the Company's operating performance has been brought about by changes in management structure and the excellent work of our employees and agents. In 1978 it is intended to bring our depositors' accounts on stream with our computer. This will be another advance enabling management and staff to provide better service for our customers. The Directors appreciate these efforts and extend their thanks to all employees and agents.

Business Prospects

The continued flow of mortgage applications has been encouraging. In the first month of 1978 the Company experienced an increase of 33% in the number of applications compared to one year ago, with Alberta and Ontario leading the way in this respect. Our chief concern is the shrinking spread between mortgage interest rates and higher costs, including the cost of our borrowed funds. For some time we have heard a great deal about the need for assistance from government for small businesses. On the other hand our sector of the economy which is not asking for assistance is faced with new laws which will subject all lending institutions to increased costs. Examples of legislation of this kind are the proposed amendments to the Bankruptcy Act which would place secured creditors in an inferior position, certain provisions of the Borrowers and Depositors Protection Act which would permit borrowers to pay off mortgages before their maturity dates with minimal penalty, and proposed amendments to the Bank Act which would require deposit-taking companies to maintain reserves with the Bank of Canada. These proposed changes and many others not mentioned here would result in added costs for all financial institutions and would be particularly burdensome to small companies.

A changed philosophy is required. Rather than passing laws and regulations which are costly to business, we should provide encouragement for business expansion and job creation. Given a proper climate, business can and will be the chief instrument for economic recovery in Canada.



President and Chief Executive Officer

Auditors' Report to the Shareholders

We have examined the balance sheet of Nova Scotia Savings & Loan Company as at December 31, 1977 and the statements of income, retained earnings, and general reserve for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1977 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

PEAT, MARWICK, MITCHELL & CO.
Chartered Accountants

Halifax, Canada
January 12, 1978

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1977

1. Deferred income taxes:
These have arisen as a result of the deduction in computing income for tax purposes of amounts allowable in respect of mortgage reserves in excess of amounts provided for in the accounts. In 1968, the company adopted the tax allocation basis of accounting and has recorded deferred taxes in the amount of \$1,617,500. No provision has been made for the amount of \$237,000 relating to 1967 and prior years.
2. Capital stock:
 - (a) Authorized
500,000 cumulative redeemable preferred shares, issuable in series of the par value of \$20 each
2,500,000 common shares of the par value of \$2 each
 - (b) Issued and fully paid

	1977	1976
150,000, 10.25% Series A, cumulative redeemable preferred shares	\$3,000,000	\$3,000,000
Less 400 shares redeemed	8,000	8,000
	2,992,000	2,992,000
952,318 common shares	1,904,636	1,904,636
	<u>\$4,896,636</u>	<u>\$4,896,636</u>

The Series A preferred shares may be redeemed on or after July 1, 1980 at \$21.40 plus accrued and unpaid dividends. The redemption price will decrease by 20¢ per share for each two year interval through to July 1, 1992 after which time the redemption price shall be \$20.20 per share.

The company is required, subject to certain terms and conditions, to annually retire 7,500 Series A preferred shares by purchase in the open market at a price not exceeding \$20 per share plus accrued and unpaid dividends.

3. Commitments:
Aggregate rentals payable during each of the next five years under long-term leases of premises and equipment amount to approximately \$300,500. Included in administration expense for the year ended December 31, 1977 is an aggregate amount of \$310,000 in respect of such rentals.
4. Pension obligation:
The unfunded past service liability with respect to the employees' pension plan based on an actuarial study dated March 19, 1975 was estimated to be approximately \$287,000 at December 31, 1974. Payments of \$24,800 are being made annually and charged to operations with the intention of fully funding the past service liability by December 31, 1991. Subject to specified conditions, the Directors retain the right to amend, modify or terminate the plan.

STATEMENT OF INCOME

Year ended December 31, 1977(with comparative figures for 1976)

	1977	1976
INCOME:		
Interest from mortgages and other loans	\$33,449,994	\$29,576,810
Investment income	2,070,343	2,024,168
Fees and commissions	267,632	131,807
Other operating revenue	408,388	225,634
	<u>36,196,357</u>	<u>31,958,419</u>
EXPENSES:		
Interest on deposits and borrowings	28,431,220	26,123,318
Administration	3,947,177	2,862,163
Depreciation and amortization	52,650	48,465
	<u>32,431,047</u>	<u>29,033,946</u>
Operating income before income taxes	3,765,310	2,924,473
Income taxes:		
Current	1,783,200	1,168,000
Deferred	(189,000)	97,000
	<u>1,594,200</u>	<u>1,265,000</u>
Operating income before securities gains	2,171,110	1,659,473
Securities gains, less related income taxes	84,045	366
Net income for the year	<u>\$ 2,255,155</u>	<u>\$ 1,659,839</u>
Earnings per common share:		
Income before securities gains	\$ 1.96	\$ 1.42
Securities gains	.09	—
Net income for the year	<u>\$ 2.05</u>	<u>\$ 1.42</u>

See accompanying notes to financial statements

NOVA SCOTIA SAVINGS & LOAN C

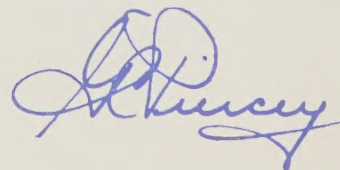
BALANCE SHEET

December 31, 1977 (with comparative figures for 1976)

	1977	1976
ASSETS		
Cash and short-term deposits	\$ 2,968,137	\$ 37,757
Investments, at cost:		
Bonds and accrued interest	892,410	909,584
Chartered banks deposit certificates and accrued interest	18,019,232	17,500,501
Stocks	4,933,705	5,005,223
	<u>23,845,347</u>	<u>23,415,308</u>
Quoted market value:		
December 31, 1977 — \$24,068,837		
December 31, 1976 — \$23,360,000		
Loans:		
Mortgages, agreements of sale and accrued interest, less allowance for doubtful accounts	316,495,380	288,436,861
Consumer loans	291,056	380,002
	<u>316,786,436</u>	<u>288,816,863</u>
Other assets:		
Real estate held for sale at estimated realizable value	3,064,155	2,801,469
Real estate held for future development, at cost	173,009	248,765
Equipment and furnishings, at cost, less depreciation	102,962	100,073
Leasehold improvements, at cost, less amortization	153,515	140,469
Sundry	539,926	181,647
	<u>4,033,567</u>	<u>3,472,423</u>
Total assets	<u>\$347,633,487</u>	<u>\$315,742,351</u>

See accompanying notes to financial statements.

The undersigned officials of Nova Scotia Savings
that, to the best of their knowledge and belief, the s



President and Chief Executive Officer



	1977	1976
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits and borrowings:		
Bank indebtedness	\$ —	\$ 407,860
Savings deposits	12,541,657	11,125,162
Deposit receipts and accrued interest	39,709,939	38,912,648
Debentures and accrued interest	275,170,487	246,246,961
Subordinated notes and accrued interest	1,664,918	1,664,918
	<u>329,087,001</u>	<u>298,357,549</u>
Other liabilities:		
Amounts held for insurance and tax payments on mortgaged properties	131,568	182,679
Income taxes payable	600,000	192,358
Dividends payable	314,751	314,751
Provision for pensions	36,500	38,500
	<u>1,082,819</u>	<u>728,288</u>
Deferred income taxes (note 1)	1,617,500	1,617,500
Shareholders' equity:		
Capital stock (note 2)	4,896,636	4,896,636
General reserve	8,100,000	7,500,000
Retained earnings	2,849,531	2,642,378
	<u>15,846,167</u>	<u>15,039,014</u>
Total liabilities and shareholders' equity	<u>\$347,633,487</u>	<u>\$315,742,351</u>

an Company hereby certify that they have examined the financial statements of the company and
ment is correct and shows truly and clearly the financial condition of the affairs of the company.

Vice-President

General Manager

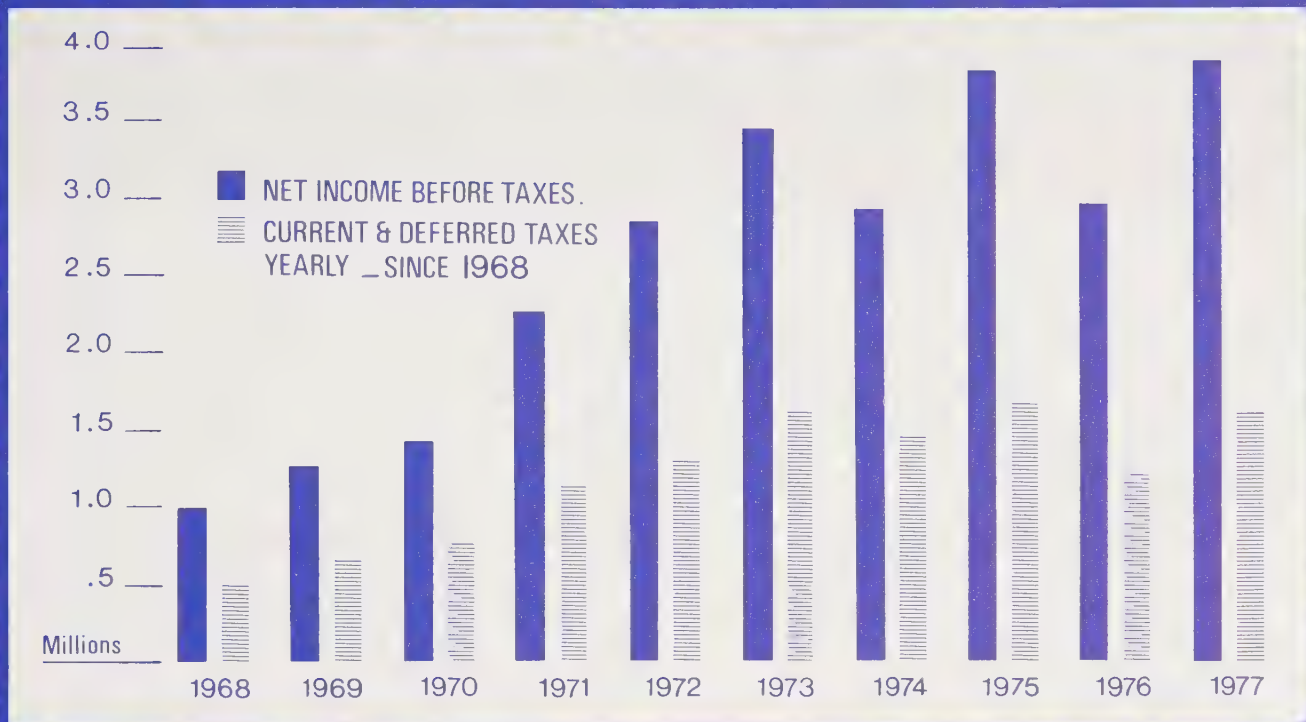
STATEMENT OF RETAINED EARNINGS

Year ended December 31, 1977 (with comparative figures for 1976)	1977	1976
Balance, at beginning of year	\$2,642,378	\$2,441,952
Add:		
Net income for the year	2,255,155	1,659,839
	<u>4,897,533</u>	<u>4,101,791</u>
Deduct:		
Dividends — Common	952,318	952,318
— Preferred	306,684	307,095
Transfer to general reserve	600,000	200,000
Deferred income taxes	189,000	—
	<u>2,048,002</u>	<u>1,459,413</u>
Balance, at end of year	<u><u>\$2,849,531</u></u>	<u><u>\$2,642,378</u></u>

STATEMENT OF GENERAL RESERVE

Year ended December 31, 1977 (with comparative figures for 1976)	1977	1976
Balance, at beginning of year		
Rest account	\$4,600,000	\$4,600,000
Mortgage reserve	2,900,000	2,700,000
	<u>7,500,000</u>	<u>7,300,000</u>
Transfer from retained earnings	600,000	200,000
Balance, at end of year	<u><u>\$8,100,000</u></u>	<u><u>\$7,500,000</u></u>

Income Growth Comparatives & Related Taxation



Total Asset Growth



COMPARATIVES

(ALL AMOUNTS ARE EXPRESSED IN THOUSANDS EXCEPT AS INDICATED*)

INCOME	1977	1976	1975	1974
Income	\$ 36,196	\$ 31,958	\$ 28,933	\$ 24,001
% of Increase	* 13.3%	10.5%	20.5%	35.9%
EXPENSE				
Cost of Borrowed Money	\$ 28,431	\$ 26,123	\$ 23,143	\$ 19,784
Administration Expense	3,947	2,862	1,859	1,403
Depreciation & Amortization	53	48	39	34
Administration Expense as % of Income	* 10.9%	9.0%	6.4%	5.8%
EARNINGS				
Net Income Before Taxes	\$ 3,765	\$ 2,925	\$ 3,893	\$ 2,781
Securities Gains (Losses) Net	84	—	(4)	280
Income Taxes — Current	1,783	1,168	1,575	835
— Deferred	(189)	97	220	559
Net Income Available for Distribution	2,255	1,660	2,094	1,667
Per Common Share	* 2.05 ^{1&3}	1.42 ^{1&3}	2.04 ^{1&3}	1.75 ¹
Dividends Paid				
Per Common Share	* 1.00	1.00	1.00	1.00
EQUITY				
Preferred	\$ 2,992	\$ 2,992	\$ 3,000	\$ —
Common	12,854	12,047	11,647	10,914
Net Earnings after Taxes on Common Shareholders' Equity	* 17.5%	13.8%	18.0%	15.3%
ASSETS				
Mortgages	\$316,786	\$288,817	\$263,536	\$234,938
Investments (at cost)	23,845	23,415	21,084	14,968
Total Assets	347,633	315,742	287,156	255,682
% Total Asset Growth	* 10.1%	10.0%	12.3%	22.9%
SAVINGS & DEBENTURES				
Savings & Deposit Receipts	\$ 52,252	\$ 50,038	\$ 47,940	\$ 49,570
Debentures & Accrued Interest	275,170	246,247	219,222	192,678

¹ Earnings Per Common Share in 1973 includes net securities gains of \$121,350; in 1974 includes net securities gains of \$280,136; in 1975 includes net securities losses of \$3,677; in 1976 includes net securities gains of \$366; in 1977 includes net securities gains of \$84,045.

² Earnings Per Common Share in 1973 are based on the weighted average of 926,007 shares, being 847,075 for the first quarter and 952,318 for the remaining three quarters.

³ 1975, 1976 and 1977 Earnings Per Common Share are calculated on earnings after payment of dividends on preferred shares.

1977—1968

1973	1972	1971	1970	1969	1968
\$ 17,662 40.8%	\$ 12,548 32.5%	\$ 9,468 32.0%	\$ 7,171 29.6%	\$ 5,532 29.6%	\$ 4,269 20.1%
\$ 13,100 1,167 41 6.6%	\$ 8,762 922 29 7.3%	\$ 6,557 604 24 6.4%	\$ 5,181 551 21 7.7%	\$ 3,786 470 19 8.5%	\$ 2,865 389 18 9.1%
\$ 3,354 121 1,072 555 1,848 2.00 ^{1&2} .92	\$ 2,836 835 458 1,543 1.82 .78	\$ 2,283 932 178 1,173 1.38 .51	\$ 1,418 669 38 711 .84 .40	\$ 1,257 588 36 633 .75 .37	\$ 997 335 156 506 .60 .30
\$ — 10,198 18.1%	\$ — 7,109 21.7%	\$ — 6,224 18.8%	\$ — 5,481 13.0%	\$ — 5,107 12.4%	\$ — 4,785 10.6%
\$192,529 12,593 208,031 36.5%	\$141,025 9,674 152,416 38.7%	\$100,949 7,094 109,876 28.1%	\$ 79,393 5,843 85,749 25.6%	\$ 65,563 2,291 68,285 17.7%	\$ 55,600 1,851 57,992 18.7%
\$ 45,841 148,226	\$ 30,523 113,458	\$ 21,190 81,516	\$16,228 63,428	\$ 8,316 54,085	\$ 6,521 45,740

WIDENING HORIZONS



1



2



3



6



4

5

Shown here are some of the single family homes in five fast growing centres of Canada, which your Company financed in recent months.

reading clockwise:

- 1 — Halifax, Nova Scotia.
- 2 & 3 — Mississauga, Ontario.
- 4 — Calgary, Alberta.
- 5 — Edmonton, Alberta.
- 6 — Dartmouth, Nova Scotia



Board of Directors Management

THE BOARD

G. Ross Guy, M.C.

Business Executive

A. Russell Harrington, B.E., D.Eng., D.C.L.

Business Executive

Austin E. Hayes, B.Com.

President, Hayes Insurance Limited

Samuel S. Jacobson, B.Com., M.B.A. (Harv.)

Business Executive

Hector McInnes, B.A., LL.B., LL.M., Q.C.

*Partner; McInnes, Cooper & Robertson
(Barristers and Solicitors)*

George C. Piercey, C.M.M., Q.C.

*Chairman of the Board, President and Chief
Executive Officer, Nova Scotia Savings & Loan
Company*

Lloyd R. Shaw, B.A., M.A.

Chairman of the Board, L. E. Shaw Limited

OFFICERS

George C. Piercey, C.M.M., Q.C.

*Chairman of the Board, President and Chief
Executive Officer*

Samuel S. Jacobson, B.Com., M.B.A. (Harv.)

Vice-President

Robert T. Hammer, R.I.A.

General Manager

Reuben C. Cluett, R.I.A.

Treasurer and Controller

Russell G. Buell

Supervisor Personnel and Administration

Barrie H. Black, B.A., LL.B., LL.M.

Supervisor Mortgages and Securities

Pauline E. Helms

Secretary

HEAD OFFICE DEPARTMENTS

Robert D. Brownrigg

Mortgage Manager

Margaret E. McCoombs

Securities Manager

E. Neil Black

Mortgage Marketing Manager

David R. Canning

Credit Manager

Donald A. Folks

Data Processing Manager

R. T. Glencross, B. Com., R.I.A.

Systems Analyst

Lauchlin W. MacDonald

Property Manager

Roy A. Caborn

Chief Accountant

BRANCH MANAGERS

Alan F. Henderson

Dartmouth

Grant I. Warwick

Halifax

Thomas E. Davidson

New Glasgow

Richard B. Pitts, B.A.

Saint John

Roland H. Brewer

Spryfield

Bankers

The Bank of Nova Scotia
The Royal Bank of Canada

HEAD OFFICE:

11th Floor, Centennial Building
1645 Granville Street
P.O. Box 670
Halifax, Nova Scotia
B3J 2T3
Phone: 423-1181

OFFICES of the COMPANY

BRANCHES:

Centennial Building
(Granville Street level)
1645 Granville Street
P.O. Box 670
Halifax, Nova Scotia
B3J 2T3
Phone: 423-1181

50 Portland Street
P.O. Box 724
Dartmouth, Nova Scotia
B2Y 3Z3
Phone: 463-4666

18 King Street
P.O. Box 1029
Saint John, New Brunswick
E2L 4E3
Phone: 652-1820

133 Provost Street
P.O. Box 116
New Glasgow, Nova Scotia
B2H 5E1
Phone: 755-5080

337 Herring Cove Road
P.O. Box 1115 Armdale
Halifax, Nova Scotia
B3L 4L5
Phone: 477-8005



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MEMBER: CANADA DEPOSIT INSURANCE CORPORATION
LISTED ON THE TORONTO STOCK EXCHANGE & MONTREAL STOCK EXCHANGE

AR17

LOCATION OF HEAD OFFICE AND BRANCHES OF THE COMPANY

HEAD OFFICE:

11th Floor, Centennial Building
1645 Granville Street
P.O. Box 670
Halifax, Nova Scotia
B3J 2T3
Phone: 423-1181

BRANCHES:

Centennial Building
(Granville Street level)
1645 Granville Street
P.O. Box 670
Halifax, Nova Scotia
B3J 2T3
Phone: 423-1181

50 Portland Street
P.O. Box 724
Dartmouth, Nova Scotia
B2Y 3Z3
Phone: 463-4666

18 King Street
P.O. Box 1029
Saint John, New Brunswick
E2L 4E3
Phone: 652-1820

133 Provost St.
P.O. Box 116
New Glasgow, Nova Scotia
B2H 5E1
Phone: 755-2010

337 Herring Cove Road
P.O. Box 1115
Spryfield, Halifax, Nova Scotia
B3L 4L5
Phone: 477-8005

Member Canada Deposit Insurance
Corporation

Stock Listed on
The Montreal
and
Toronto Stock Exchanges



Full

NOVA SCOTIA SAVINGS & LOAN COMPANY

Report for Six Months Ended June 30, 1977
(Unaudited)

To Our Shareholders:

Your Company experienced greatly improved earnings in the first six months of 1977, compared to the equivalent period in 1976, as shown by the unaudited figures presented herein. Revenues at \$17,727,552 were 14.8% ahead of last year, and expenses increased by 12.6% to \$15,807,211. These figures are significant in that it is the first period since the fourth quarter of 1975 that revenues increased at a higher rate than expenses.

Net profit after income taxes was \$1,121,330, an increase of just under 40% over the first six months of 1976. After payment of dividends on preferred shares, net earnings were \$1.02 per common share compared to 68 cents the previous year.

Our mortgage portfolio increased by 11.2% and passed the \$300,000,000 mark. Total assets at \$330,679,096 were 9.3% higher than at June 30, 1976.

Despite the poor forecasts for the economy of the Atlantic Provinces in the near term, your Company is benefiting from its diversified mortgage portfolio, and improved earnings are expected to continue in the third quarter.

On behalf of the Board.

Halifax, Nova Scotia
July 15, 1977

President and Chief
Executive Officer

NOVA SCOTIA SAVINGS & LOAN COMPANY

Six Months Ended June 30, 1977

(Unaudited)

	1977	1976	% Increase (Decrease)
Income	\$ 17,727,552	\$ 15,436,484	14.8
Expense	15,807,211	14,035,956	12.6
Operating income before income taxes	1,920,341	1,400,528	37.1
Income taxes	800,256	599,079	
Operating income before securities gains (losses)	1,120,085	801,449	39.8
Securities gains (losses), less related income taxes	1,245	466	
Net income after securities gains (losses)	1,121,330	801,915	39.8
Dividends declared on preferred shares	153,342	153,752	
Per common share before securities gains (losses)	\$ 1.02	\$.68	
Securities gains (losses)	—	—	
Per common share after securities gains (losses)	\$ 1.02	\$.68	
Dividends declared on common shares	476,159	476,159	
Per share	\$.50	\$.50	
Assets	\$330,679,096	\$302,489,129	9.3
Mortgages	302,565,990	272,118,237	11.2
Debentures and deposits	312,722,598	285,619,180	9.5
Net increase in assets since December 31	\$ 14,936,745	\$ 15,333,317	
Net increase in mortgage investments since December 31	13,749,127	8,581,971	
Net increase in debentures and deposits since December 31	14,772,909	16,578,839	

Note: Earnings per common share are calculated on earnings after payment of dividends on preferred shares.